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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

January 30, 1998

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: CC Docket No. 96-128; Payphone Compensation

Dear Ms. Salas:

Attached please find a copy of information submitted today in the above-referenced docket to Rose Crellin of the Federal Communications Commission's Common Carrier Bureau. Please include this in the public record for this matter.

Please do not hesitate to contact me at (202) 326-7310 with any questions.

Respectfully submitted,

Keith Townsend

Keith Townsend
Director --
Legal & Regulatory Affairs & Counsel

cc: Rose Crellin
Craig Stroup

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January 30, 1998

Rose Crellin
Common Carrier Bureau
Communications Commission
2000 M Street, NW
Room 6310 B
Washington, DC 20554

RE: CC Docket No. 96-128; Payphone Compensation

Dear Ms. Crellin:

The United States Telephone Association (USTA) hereby submits the attached summary and data on Flex ANI implementation costs and related payphone information in the above-referenced docket. A copy of this letter and its attachment will also be forwarded to the Secretary's office for inclusion in the public record.

Please do not hesitate to contact me at (202) 326-7371 with any questions.

Respectfully submitted,

Keith Townsend
Director --
Legal & Regulatory Affairs & Counsel

cc: Magalie Roman Salas
Craig Stroup

Flex ANI Implementation Costs in Small Company Switches and Related Payphone Information

As with non-equal access switches in general, the cost to implement Flex ANI in some equal-access switches will be prohibitively high, in terms of cost recovery potential.

USTA requested its small- and mid-sized companies to provide data on the number of payphones their switches serve and the costs to implement Flex ANI in these switches. Each line of data on the attached chart represents information provided by one USTA member company.

The cost data shown in Column 5 (Costs - Flex ANI) reflects the price the LEC must pay to implement Flex ANI in a Flex ANI capable switch. The data in Column 6 (Costs - Additional) include such things as the cost for switch replacements, translation costs, and costs for the latest generic required to configure the switch so that it is capable of accepting the Flex ANI feature.

The cost data in Columns 10 and 13 would be the most appropriate to consider in an analysis of the cost to provide a Flex ANI capability since that data includes total cost on a per switch and per payphone basis.

The data in Column 13 have been arranged from least cost per payphone to the greatest cost per payphone. This demonstrates that those switches with no cost or minimal costs are characteristic of equal-access switches that already have a Flex ANI capability and/or have a large number of payphones over which to spread the cost, which reduces the cost recovery problem.

Progressing down the list, the cost per payphone becomes greater because the switch is not currently configured to provide Flex ANI and/or there are too few payphones over which the costs can be spread. It is the switches toward the end of the list that are of major concern. If the costs per payphone are excessive, the payphone provider may be motivated to remove the instruments from service. If they are not removed, large costs per payphone will be difficult, if not impossible, to recover.

As stated in our September 30, 1997, Petition for Waiver, LEC non-equal access switches should be exempt from providing payphone identification information until the switches are replaced or upgraded for equal access. The primary reason for this requested waiver was based on the prohibitively high cost to provide the required coding information via Flex ANI in these switches. Similarly, since the cost per payphone for some equal-access switches is also excessive and cost recovery cannot be contemplated in a reasonable time period, these switches should also be exempt from providing payphone identification information until they are upgraded or replaced for other reasons.

Definitions of Column Headings in the Attached Chart:

No. Switches: The number of stand-alone end-offices and hosts that support remotes.
Remotes are not included in this number.

Payphones:

LEC: Number of LEC owned instruments.

IPSP: Number of Independent Payphone Service Provider instruments.

Costs:

Flex ANI: The price the LEC must pay to implement Flex ANI in a Flex ANI capable switch.

Additional: Cost of upgrades, i.e., switch replacements, translation costs, required generic upgrades.

Ave No. Phones: The sum of LEC and IPSP instruments divided by the number of reported switches for that company.

Average Costs/Switch:

Flex ANI: The Flex ANI cost divided by the number of switches for that company.

Additional: The Additional costs divided by the number of switches for that company.

Total: The sum of Flex ANI and Additional costs divided by the number of switches for that company.

Average Costs/Payphone:

Flex ANI: The Flex ANI cost divided by the number of payphones for that company.

Additional: The Additional costs divided by the number of payphones for that company.

Total: The sum of Flex ANI and Additional costs divided by the number of payphones for that company.

FLEX ANI COST DATA & RELATED PAYPHONE INFO

		PAYPHONES		COSTS			Average Costs/Switch			Average Cost/Phone		
Company	No. switches	LEC	IPSP	Flex ANI see Note 1	Additional see Note 2	Avg No. Phones	Flex ANI	Additional	Total	Flex ANI	Additional	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
1	1	25	0	\$0	\$0	25.0	\$0	\$0	\$0	\$0	\$0	\$0
2	1	4	14	0	0	18.0	0	0	0	0	0	0
3	1	4	0	0	0	4.0	0	0	0	0	0	0
4	1	3	0	0	0	3.0	0	0	0	0	0	0
5	1	21	5	0	0	26.0	0	0	0	0	0	0
6	1	2	0	0	0	2.0	0	0	0	0	0	0
7	2	10	2	0	0	6.0	0	0	0	0	0	0
8	2	45	8	0	0	26.5	0	0	0	0	0	0
9	5	17	20	0	500	7.4	0	100	100	0	14	14
10	1	29	2	0	520	31.0	0	520	520	0	17	17
11	4	53	38	0	2000	22.8	0	500	500	0	22	22
12	2	10	0	0	300	5.0	0	150	150	0	30	30
13	3	221	86	11400	0	102.3	3800	0	3800	37	0	37
14	1	5	0	0	200	5.0	0	200	200	0	40	40
15	1	1	1	0	80	2.0	0	80	80	0	40	40
16	1	163	61	5000	4500	224.0	5000	4500	9500	22	20	42
17	2	680	113	37226	0	396.5	18613	0	18613	47	0	47
18	5	0	89	5200	0	17.8	1040	0	1040	58	0	58
19	1	265	70	18982	1500	335.0	18982	1500	20482	57	4	61
20	21	86	63	0	10500	7.1	0	500	500	0	70	70
21	1	82	17	5000	2500	99.0	5000	2500	7500	51	25	76
22	1	48	0	5000	0	48.0	5000	0	5000	104	0	104
23	1	11	21	4200	0	32.0	4200	0	4200	131	0	131
24	1	111	0	13478	5000	111.0	13478	5000	18478	121	45	166
25	1	5	25	4530	500	30.0	4530	500	5030	151	17	168
26	1	74	12	19969	0	86.0	19969	0	19969	232	0	232
27	2	3	0	0	750	1.5	0	375	375	0	250	250
28	1	0	15	4500	0	15.0	4500	0	4500	300	0	300
29	1	62	32	21505	8600	94.0	21505	8600	30105	229	91	320
30	1	10	2	4000	1000	12.0	4000	1000	5000	333	83	417
31	1	4	14	7000	1000	18.0	7000	1000	8000	389	56	444

32	2	11	0	4000	1000	5.5	2000	500	2500	364	91	455
33	1	6	3	4200	0	9.0	4200	0	4200	467	0	467
34	1	7	0	4180	0	7.0	4180	0	4180	597	0	597
35	1	43	4	6410	22431	47.0	149	22431	28841	136	477	614
36	1	0	9	5000	1000	9.0	5000	1000	6000	556	111	667
37	1	3	0	3800	500	3.0	3800	500	4300	1267	167	1433
38	4	0	13	18160	4000	3.3	4540	1000	5540	1397	308	1705
39	1	11	0	11000	21000	11.0	11000	21000	32000	1000	1909	2909
40	1	1	1	15000	0	2.0	15000	0	15000	7500	0	7500
41	5	16	6	5100	205865	4.4	1020	41173	42193	232	9358	9589
42	2	50	77	0	2245000	63.5	0	1122500	1122500	0	17677	17677
43	1	6	7	0	1000000	13.0	0	1000000	1000000	0	76923	76923

1. Flex ANI: Reflects price LEC must pay to implement Flex ANI in a Flex ANI capable switch.

2. Additional: Includes cost for such things as switch replacement, translation costs, and generics required to configure the switch so that it is capable of accepting the Flex ANI feature.